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Financing of the United Nations Mission for the Referendum in Western Sahara

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Report of the Advisory Committee on Administrative and Budgetary Questions*

1. The Advisory Committee on Administrative and Budgetary Questions has considered the reports of the Secretary-General on the financial performance of the United Nations Mission for the Referendum in Western Sahara (MINURSO) for the period from 1 July 2000 to 30 June 2001 (A/56/818) and on the proposed budget for the Mission for the 12-month period from 1 July 2002 to 30 June 2003 (A/56/826). During its consideration of the reports, the Committee met with representatives of the Secretary-General, who provided additional information.

2. By its resolution 690 (1991) of 29 April 1991, the Security Council established MINURSO for an initial period of six months. Since then, its mandate has been extended by the Council in various resolutions, the latest of which was resolution 1406 (2002) of 30 April 2002, by which the Council extended the mandate of the Mission until 31 July 2002 in order to consider further the report of the Secretary-General of 19 February 2002 (S/2002/178).

3. The Advisory Committee points out that, in his report of 19 February, the Secretary-General presented four options for consideration before the Council (S/2002/178, paras. 48-51), any one of which, if approved by the Council, may, in the view of the Committee, impact significantly on resource requirements for the Mission during the financial period 2002/2003. The Committee notes that the proposed budget for MINURSO (A/56/826) is based on the Mission's maintenance requirements and reflects resource reduction associated with the suspension of the activities of the Identification Commission. **The Advisory Committee considered the proposed budget of MINURSO on the understanding that, should modifications be made pursuant to decisions of the Security Council, the Secretary-General would report to the General Assembly no later than September 2002.**

Financial performance report for the period from 1 July 2000 to 30 June 2001

4. The General Assembly, by its resolution 54/268 of 15 June 2000, appropriated an amount of $49,317,037 gross ($45,078,102 net) for the

* The performance report and proposed budget for MINURSO were considered by the Advisory Committee on 15 May 2002. The Advisory Committee approved the draft report on 17 May 2002 and sent it for processing on that date.

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maintenance of MINURSO for the period from 1 July 2000 to 30 June 2001, inclusive of the amount of $2,339,659 for the support account and the amount of $365,778 for the United Nations Logistics Base at Brindisi, Italy. Expenditures for the period totalled $45,989,300 gross ($42,215,900), resulting in an unutilized balance of $3,327,737 gross ($2,862,202 net) or 7 per cent of the total appropriation. Full reported expenditure amounted to $49,660,000, including $3,670,000 in voluntary contributions.

5. The unutilized balance of $3,327,700 resulted from reduced requirements under military personnel ($306,200), civilian personnel ($2,452,700), operational requirements ($89,100), other programmes ($14,200) and staff assessment ($465,500).

6. The Advisory Committee notes that the largest reduction in resource requirements falls under civilian personnel. As indicated in the performance report (A/56/818, annex II, paras. 6 and 7), the reduction is mainly due to higher than budgeted vacancy rates for civilian police and international staff. The Committee was informed that the reason for the reduction in resource requirements stems from the suspension of the activities of the Identification Commission and its support staff, inclusive of the Civilian Police, whose duties are connected with that of the Identification Commission.

7. In connection with operational requirements, the Advisory Committee notes from the performance report (ibid., paras. 14 and 15) that there was an overexpenditure of $1,031,500 under air operations. **The Committee notes the lack of adequate explanation for the overexpenditure and requests that future performance reports for the Mission contain detailed justifications for significant variances in budget implementation.**

8. The action to be taken by the General Assembly in connection with the financing of MINURSO for the period from 1 July 2000 to 30 June 2001 is indicated in the performance report (A/56/818, para. 10). **The Advisory Committee recommends that the unencumbered balance of $3,327,737 gross ($2,862,202 net) for the period from 1 July 2000 to 30 June 2001 be credited to Member States in a manner to be decided by the General Assembly.**

Information on performance for the current period

9. The Advisory Committee was informed that, as at 31 March 2002, the amount of $6.5 million had been reimbursed for troop costs for the period from 1 September 1991 to 31 January 2002 and that the amount owed for the period from 1 February 2002 to 30 April 2002 was $70,605.

10. With regard to reimbursement for contingent-owned equipment, the Advisory Committee was informed that the amount that had been reimbursed was $5,097,712; the estimated amount owed as at 31 March 2002, was $5,185,694; and unliquidated obligations for contingent-owned equipment amounted to $1,994,827. As regards death and disability, as at 31 March 2002, 11 claims have been settled amounting to $315,384; the balance of obligations amounts to $434,536 with one claim remaining.

11. The Advisory Committee was informed that, as at 1 April 2002, the cash position of MINURSO amounted to $24.7 million. Assessment on Member States amounted to $482.2 million, as at 31 March 2002, and payments received totalled $410.5 million. Total unliquidated obligations for the period from 1 July 2000 to 30 June 2001, as at 31 March 2002, were $1.2 million, and current loans, as at 30 April 2002, were $11 million from the United Nations Mission in Haiti (UNMIH) and $5 million from the United Nations Assistance Mission for Rwanda (UNAMIR). The Committee was informed that there were no claims under arbitration in respect of MINURSO.

12. The Advisory Committee was informed that the incumbency situation at MINURSO, as at 31 March 2002, was as follows:

Posts	*Authorized*	*Encumbered*
Military contingents	27	27
Military observers	203	192
Civilian police	81	25
International staff	300	174
Local staff	113	110
Organization of African Unity observers	10	4

Cost estimates for the period from 1 July 2001 to 30 June 2002

13. As indicated in the report of the Secretary-General (A/56/826, para. 9), the proposed budget for MINURSO for 2002/2003, which amounts to $41,529,500 gross ($38,488,500 net), is based on the Mission's maintenance requirements. The proposed budget represents a 15 per cent decrease ($7,320,100) in gross terms in relation to the apportionment for the current period ending 30 June 2002. Voluntary contributions for the period are estimated at $6,099,700. The proposed overall decrease reflects a 7.3 per cent decrease in military personnel costs, a 21.4 per cent decrease in civilian personnel costs, a 7.9 per cent decrease in operational costs, a 13.7 per cent decrease in staff assessment and a 71.8 per cent increase under other programmes.

14. No changes are proposed to the personnel composition of the Mission, compared to the current financial period, which provides for 203 military observers, 27 military contingents, 81 civilian police, 300 international staff, 113 local staff and 10 Organization of African Unity (OAU) observers. The Advisory Committee was informed, upon enquiry, that the table entitled "Current and proposed staffing" in chapter VIII of the report erroneously indicated the number of posts in the Professional category and above at 109, instead of 110 and the grand total at 422, instead of 423. The reason for the error was that the post of the Assistant Secretary-General was inadvertently omitted.

15. The Advisory Committee was also informed that, although the estimates for international staff are based on a zero vacancy factor, the cost of 116 posts out of 162 posts of the Identification Commission (excluding 10 OAU observers) was not included in the proposed budget for MINURSO. The Committee notes from the report (A/56/826, para. 18) that, should the activities of the Identification Commission be resumed on a full-scale basis, the Controller will revert to the General Assembly to request the related additional resources. In this connection, the Committee refers to its observation in paragraph 3 above.

16. The Advisory Committee was informed that the proposed budget takes into account reduction in mission subsistence allowance (MSA) rates for MINURSO from $60 to $50 per day. This resulted in a reduction in MSA requirements of $766,400 for military personnel and $3,181,500 for civilian personnel in comparison with the apportionment for the financial period 2001/2002.

17. The Advisory Committee observes from the report (ibid., para. 19) that an attempt has been made to adhere to General Assembly resolution 55/220 C of 14 June 2001, wherein the Secretary-General was requested to ensure the use of objective-setting by the administrations of peacekeeping missions. **The Advisory Committee is of the view that the administration of MINURSO should refine its approach to objective-setting requirements with a view, in particular, to providing specific and measurable indicators of achievement.**

18. The actions to be taken by the General Assembly in connection with the financing of MINURSO for the period from 1 July 2002 to 30 June 2003 are set out in the proposed budget (ibid., para. 3). **The Advisory Committee recommends that the amount of $41,529,500 gross ($38,488,500 net) be approved for the maintenance of MINURSO for the 12-month period from 1 July 2002 to 30 June 2003 and that the amount be assessed at a monthly rate of $3,460,792 gross ($3,207,375 net) should the Security Council decide to extend the mandate of MINURSO beyond 31 July 2002.**